This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 08 TEL AVIV 002272

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
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JERUSALEM ALSO FOR ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

E.O. 12958: N/A

TAGS: IS KMDR SETTLEMENTS
SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

¶1. Mideast

¶2. Somalia

Key stories in the media:

Major media reported that at 10 Downing Street on Monday, British PM Tony Blair refrained from endorsing PM Ehud Olmert's plan for a unilateral withdrawal, although he recognized that the absence of a viable partner on the Palestinian side would mean "another reality." Media quoted Olmert as saying at the joint press conference with Blair that he told Blair that an offer a few years ago by an Israeli PM to withdraw from 90 percent of the territories and the settlements would have been considered a miracle. Ha'aretz quoted a British official as saying that Olmert can be satisfied over the fact that he presented the Palestinians with a choice between accepting the conditions set by the international community or accepting reality, which might cause them to be blamed for refusing Israel's terms. Yediot reported that when asked whether Palestinian PM Ismail Haniyeh might be an assassination target, Olmert told reporters that "nobody involved in terrorism is immune. I do not have to declare names."

Ha'aretz (Akiva Eldar) reported that in light of the international opposition to further unilateral steps by Israel, the GOI has begun to draft an alternative plan that would essentially convert Olmert's unilateral convergence plan into a bilateral move carried out conjunction with PA Chairman [President] Mahmoud Abbas. The newspaper wrote that according to the plan now being drafted by the Prime Minister's Office and the Foreign Ministry, Israel would propose to Abbas that they reach an agreement to establish a Palestinian state with provisional borders in Gaza plus about 90 percent of the West Bank. The provisional border in the West Bank would match the route of the separation fence, with one exception: Israel would retain security control over the Jordan Valley. Ha'aretz said that in this way, Israel hopes to present the convergence plan as an implementation of Phase II of the road map peace plan, thereby acceding to the demands of the US, Jordan, Egypt, and others that Israel resume negotiations with the PA under the Roadmap. Under this proposal, the parties would proceed to Phase II without waiting for the completion of Phase I, which calls for dismantling the terrorist infrastructure. FM Tz Livni confirmed to Ha'aretz that she told senior FM Tzipi ministry officials last week that "currently, Abbas is not a partner for a final-status agreement, but he could be a partner for other arrangements, on the basis of the Roadmap's phased process." Ha'aretz quoted one participant in this meeting as saying that Livni spoke explicitly about an agreement to establish a Palestinian state with provisional borders. Phase II of the Roadmap presents the "option" of an independent Palestinian state with provisional borders, "as a way station to a permanent status settlement.

Ha'aretz reported that Defense Minister Amir Peretz has decided to reexamine the route of the separation fence, especially around Jerusalem, in order to reduce both damage to Palestinian property and the project's costs.

Israel Radio quoted a member of Olmert's entourage as saying in London that IDF fire did not kill the Palestinian family on a Gaza beach Friday. Leading media reported that the IDF investigation into the case has found that the times of the firing of IDF shells and the explosion do not match; the examination of shrapnel removed from the bodies of three wounded victims hospitalized in Israel is likely to reinforce the conclusion that the explosion was caused by a bomb rather than a shell; based on photographs, the crater left on the beach by the blast seems to have been made by an explosion from below (a mine), not a hit from above (a shell); intelligence gathered by Israel found that Hamas has been systematically mining the northern Gaza beach in an attempt to keep Israeli commandos from landing there again. Ha'aretz wrote that the main hole in the army's evidence is the missing sixth shell, the first to be fired and whose landing site has not been determined. The newspaper reported that the Palestinians are likely to investigate the incident on their own and that they are expected to contradict the results of the IDF probe. Yediot reported that on Saturday, UN Secretary-General Kofi Annan called Olmert, asking that Israel provide a proper response to the Gaza incident, and that Annan was surprised when Olmert told him about the scope of Qassam rocket attacks against Israel. The Jerusalem Post and other media quoted Peretz as saying that the Palestinians "have to understand we have the capability to deliver much more painful answers [to Qassam rockets]." All media reported that on Monday and this morning, about 17 Qassam rockets fired from the Gaza Strip landed in the Sderot area. An Israeli woman was slightly wounded and a car was destroyed. Israel Radio and leading media websites reported that this morning, an IAF missile strike on a van carrying a Palestinian rocketlaunching squad on Tuesday killed at least nine people and wounded 20 to 25 others. The squad members allegedly belonged to Islamic Jihad.

Maariv reported that Kadima members are planning to build six villages in the southern Hebron hills, inside the Green Line, where residents of six settlements over the Green Line would be relocated. The establishment of the new communities would take place even before the evacuation of the settlements.

All media reported that pitched battles between Hamas and Fatah operatives in Gaza killed two people and wounded 17 on Monday, while in Ramallah, Fatah gunmen torched parts of the prime minister's office and the Palestinian parliament.

Ha'aretz (Akiva Eldar) reported that Washington has informed Olmert that the success of the Palestinian President in the referendum on the 'prisoners' document' is the success of President Bush's democratization in the Middle East and that this is the main reason Olmert is shrugging off the referendum.

Yediot reported that Binyamin Netanyahu and Avigdor Lieberman, respectively chairmen of Likud and Yisrael Beiteinu, have agreed to start a process to merge their parties, creating a "counter big bang" in Israeli politics.

The radio stations and leading news websites reported that today, police arrested seven residents of the Israeli Arab town of Shfaram on suspicion of being involved in the lynching of a Jewish gunman, Eden Natan-Zada. Natan-Zada killed four townsmen in a shooting attack on August 2 last year. Israel Radio said that Israeli Arab Knesset members protested over the arrests.

All media cited the Lebanese daily As-Safir as saying on Monday that Lebanese intelligence services claim to have uncovered a spy network that has been working for Israel since 1990.

Maariv reported on Israel's success at the Eurosatory defense exhibition that opened in Paris on Monday. Among other products, the newspaper listed an all-weather intelligence picture gathering system offered by Israel Aircraft Industries and a tank protection system built by the Rafael Armaments Development Authority.

Ha'aretz reported that the GOI is planning to establish a computerized database to monitor all foreigners entering or residing in Israel. Sasi Katzir, the head of the Interior Ministry's population administration,

told the newspaper that the new data bank was a joint initiative by numerous bodies: the interior; foreign; public security; industry, trade and labor; and justice ministries; the Immigration Administration and the Central Bureau of Statistics. Interior Minister Roni Bar-On and Internal Security Minister Avi Dichter will eventually present the detailed project for cabinet approval.

The Jerusalem Post and Maariv reported that in the next couple of days at Camp David, President Bush will host a discussion about a gradual withdrawal of US troops from Iraq. Leading media reported that Al Qaida in Iraq has named Abu Hamza al-Muhajir to be a successor to Abu Musab Al-Zarqawi.

Maariv reported that on Monday, the US Supreme Court turned back an appeal Monday from American Jews who were victims of the Nazi regime in Austria and whose litigation had tied up payments from a USD 210-million settlement. The Jerusalem Post reported that Waitstill Sharp, a minister from suburban Boston, and his wife Martha, an experienced social worker, will be posthumously honored as "Righteous Gentiles" at Yad Vashem on Tuesday. The couple saved Jews in various European counties during the Nazi occupation. The Jerusalem Post noted that the Sharps are only the second and third Americans, after Varian Fry — who saved Jews in occupied France — to receive Yad Vashem's highest honor.

Ha'aretz reported that the late PM Menachem Begin played a central role in a failed 1952 attempt to assassinate then-West German Chancellor Konrad Adenauer, with the objective of sabotaging the reparations agreement with Israel, according to the journal of Eliezer Sudit, one of the men who carried out the attempted hit. Begin was then head of the opposition in the Knesset.

All media bannered the collision of a Tel Aviv-Haifa passenger train with a pickup truck near Beit Yehoshua, south of Netanya, on Monday, in which five people were killed and around 80 were wounded. Maariv bannered: "Disaster Railways."

<u>¶</u>1. Mideast:

Summary:

Chief Economic Editor Sever Plotker wrote in the editorial of mass-circulation, pluralist Yediot Aharonot: "The Palestinians will pay a heavy price for what is viewed by the entire world as terror activity that is offensive, irresponsible, and also idiotic."

The conservative, independent Jerusalem Post editorialized: "The PA's prime minister, who just described as a 'war crime' the tragic deaths on Friday on a Gaza beach of a Palestinian family ... is openly and deliberately attempting to commit war crimes against Israelis."

Very liberal columnist B. Michael wrote in Yediot Aharonot: "Just like in the second Intifada, the third one will also not take place because the Palestinians plotted and planned it, but because this is what the IDF decided."

Block Quotes:

"Hamas Understands Only Force"

Chief Economic Editor Sever Plotker wrote in the editorial of mass-circulation, pluralist Yediot Aharonot (6/13): "While Abu Mazen does indeed aspire to have the Hamas government collapse and for new elections to be held, he has opted to achieve his goal by means of a problematic route, whose outcome is likely to be the opposite... Such a referendum will further fix Palestinian positions for generations and will tie the hands of any Palestinian leader who wants to deviate from its outline. Referendums should be held on actual arrangements reached through enormous effort and long negotiations, when the public is capable of weighting their cost versus their benefit. Israel cannot and should not talk to Hamas. This would not only be disastrous and a slide down a slippery slope, but would also stick a knife in Abu Mazen's back, particularly as long as there still is a realistic possibility that the Hamas regime will not with stand the external and internal pressures on it and will collapse.... The lives of Israelis who live in communities near the border are now completely forfeit,

and the Qassam rocket fire on them has to stop. That is the basic duty of the Israeli government; the Palestinians will pay a heavy price for what is viewed by the entire world as terror activity that is offensive, irresponsible, and also idiotic."

II. "Fight Double Standards"

The conservative, independent Jerusalem Post editorialized (6/13): "For almost six years, the Palestinian Authority has presided over a terrorist offensive against Israel, stoking the hatreds and proving relentlessly disinclined to thwart the attacks. Until this week, however, the PA leadership had never directly associated itself with this terrorism.... The PA's prime minister, who just described as a 'war crime' the tragic deaths on Friday on a Gaza beach of a Palestinian family -- possibly hit by an errant Israeli artillery shell, possibly not -- is openly and deliberately attempting to commit war crimes against Israelis.... Israel should formally -- ideally with other nations -- request an emergency meeting of the UN Security Council to condemn Palestinian aggression, demand its cessation and the dismantling of all terrorist organizations, and recognize Israel's right to self-defense.... Yet Israel, rather than stating the obvious facts regarding the attacks against us, often seems to be lying low in the hope that the world will not condemn us."

III. "The Army's Agenda"

Very liberal columnist B. Michael wrote in Yediot Aharonot (6/13): "Thanks to the lies and manipulations in which the IDF has become entangled in recent years, we can relate with skepticism and mockery to the 'inquiry' it is now holding to clear itself of blame from killing the Ghaliya family on the Gaza beach... The army would therefore be better off dropping this odd inquiry and simply announcing that the entire family killed itself... The primary, real, urgent problem is the agenda that the army is promoting — openly, diligently, unrestrainedly, and unreservedly. An agenda that states that we have to reach a point of all—out war with the PA government.... It is still not yet certain that the army has been successful. There is still a chance to avoid the coming tragedy. But if nobody is found to finally stop the army in its mad rush toward a clash, then there is no doubt that the third Intifada is on the doorstep. And just like in the second Intifada, the third one will also not take place because the Palestinians plotted and planned it, but because this is what the IDF decided."

<u>1</u>2. Somalia:

Summary:

Intelligence affairs correspondent Yossi Melman wrote in independent, left-leaning Ha'aretz: "Last Wednesday's impressive success of US intelligence -- the pinpointed assassination of Abu Musab Al-Zarqawi in Iraq eclipsed attention from the CIA's biting failure two days earlier."

Block Quotes:

"The Americans Again Betted on the Wrong Muslims"

Intelligence affairs correspondent Yossi Melman wrote in independent, left-leaning Ha'aretz (6/13): "Last Wednesday's impressive success of US intelligence — the pinpointed assassination of Abu Musab Al-Zarqawi in Iraq eclipsed attention from the CIA's biting failure two days earlier: Mogadishu, the Somali capital. Was conquered and symbolically 'reunited' by radical Muslim militias, some of whose leaders do not conceal their sympathy for bin Ladin and the ideology of global Jihad... The big question is whether Somalia will turn into the new base of terrorism and the inspiration for jihadists, who will try to duplicated their success under the auspices of Afghanistan's Taliban regime. It is the US that will have to answer that question and cope with it. Judging from the Afghanistan and Iraq precedents, it is doubtful whether it has the tools to do so."

JONES